

Report to the Auburn City Council

Action Item

Agenda Item No.

nager Approval

To:

Mayor and City Council Members

From:

Bernie Schroeder, Director of Public Works

Andy Heath, Director of Administrative Services

Megan Siren, Administrative Analyst

Date:

June 24, 2013

Subject:

2013/2014 Sewer Assessment to be placed on the Placer County Tax Roll

<u>The Issue</u>

Shall Council authorize a noticed public hearing and the submission of the sewer service charges for the 2013/2014 fiscal year to Placer County for collection?

Conclusion and Recommendation

Staff recommends that City Council

- 1. Conduct a public hearing to authorize the 2013/2014 fiscal year sewer service charges placement on the County of Placer Tax Roll.
- 2. BY RESOLUTION, authorize the levy of sewer service charges for Fiscal Year 2013/2014 to be placed on the County of Placer Tax Roll.

<u>Background</u>

Collecting of the majority of the City of Auburn Sewer Service Use Charges are accomplished by placing the charges on the County of Placer Tax Rolls. These charges appear as Tax Code No. 60600 on each separate property tax bill and are collected by the Placer County Tax Collector and subsequently distributed twice each fiscal year to the City.

City of Auburn Municipal Code Section 52.029(B) requires the Administrative Services Director to prepare and file with the City Clerk a written report containing the description of each premises connected to or discharging any sewage into the sanitary sewer system of the City, and the amount of the Sewer Service Use Charge for each premises for the upcoming fiscal year.

For Fiscal Year 2013/14, the Sewer Service Use Charge was based on Council's direction at the April 8, 2013 City Council meeting to increase the sewer service use charge by the consumer price index. The consumer price index from August 2012 – April 2013 was 1.45% which equates to a \$0.88 monthly increase setting the Sewer Service Use Charge at \$61.38/EDU (Equivalent Dwelling Unit).

The Sewer Service Use Charge Report for Fiscal Year 2013/2014 has been available for review in the City Clerk's Office, Administrative Services Department and the Public Works Department since June 3, 2013; the report contains the necessary information for the assessment of approximately \$5.0 million in Sewer Service Use Charges. A notice of public hearing was published in accordance with law in the Auburn Journal on June 9, 2013 and June 19, 2013.

Sewer Service Use Charges are set to be assessed in accordance with the rates approved by the City Council on June 25, 2007, subsequent to a Proposition 218 noticing requirement that was mailed in April 2007 to property owners regarding rate increases.

Each year the City is required to conduct a Public Hearing and adopt a resolution authorizing the collection of the City of Auburn Sewer Service Use Charges to be placed on the County of Placer Tax Roll.

Additional Information

For Fiscal Year 2013/14, the Sewer Service Use Charges were adjusted by the consumer price index. The increase in revenues will fund the Sewer Operations and Capital Budget and assist in maintaining the sewer reserves. The capacity purchase in the Regional Sewer Common Pipeline is not anticipated to be funded from the increase and will require a new Proposition 218 Rate Study and Public Hearing.

Alternatives Available to Council; Implications of Alternatives

- 1. Proceed with Staff Recommendation
- 2. Do not proceed with staff recommendation

Fiscal Impact

An estimated 5,302 accounts will generate \$5.0 million in Sewer Service Use Charges during Fiscal Year 2013/14.

The 2013/14 Sewer Service Use Charge Report is available for review in the Administrative Services Department, City Clerk's Office and the Public Works Department.

RESOLUTION NO. 13-

RESOLUTION DETERMINING SEWER SERVICE CHARGES FOR FISCAL YEAR 2013-2014 AND DIRECTING THE COLLECTION OF SUCH CHARGES ON THE PLACER COUNTY TAX ROLL

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TAX CODE NUMBER

DIRECT CHARGE NAME

City of Auburn Sewer Assessment

Whereas, the City of Auburn (hereinafter "City") requests the County of Place collect on the County tax rolls certain charges which have been imposed pursuant to Section 5473 of the California Health & Safety Code and Section 52.029 of the Auburn Municipal Code, the City has elected to have its sewe service charges collected on the County Tax Roll in the same manner, by the same persons, and at the same time as, together with and not separately from, the City's general taxes;

Whereas, the Director of Administrative Services has filed with the City Clerk a report (the "Report") containing a description of each parcel of real property receiving sewer service and the amount of the sewer service charges for Fisca Year 2013-14 for each such parcel; and

Whereas, the Report is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference; and

Whereas, the rates set forth in the Report are calculated at the \$61.38 permonth per sewer unit.

Whereas, on June 24, 2013, the City Council held a full and fair public hearing at which it considered all objections and protests to the Report; and

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Whereas, notice of the public hearing was published as required by law.

Whereas, the County has required as a condition of the collection of saic charges that the City warrant the legality of said charges and defend and indemnify the County from any challenge to the legality thereof,

Now, Therefore, Be It Hereby Resolved by the Council of the City of Auburr that:

- The Auditor-Controller of Placer County is requested to attach for collection on the County tax rolls those taxes, assessments, fees and/or charges, attached hereto.
- 2. The City warrants and represents that the taxes, assessments, fees and/or charges imposed by the District/City and being requested to be collected by Placer County comply with all requirements of state law including but not limited to Articles XIIIC and XIIID of the California Constitution (Proposition 218).
- 3. The City releases and discharges County, and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of the collection by County on the property tax roll of any taxes, assessments, fees and/or charges on behalf of City.
- 4. In consideration for the County's collection of the charge through the County's property tax roll, the City agrees to and shall defend, indemnify and hold harmless the County, its officers, agents and employees (the "Indemnified Parties") from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of the collection by County of any of City's saic taxes, assessments, fees and/or charges requested to be collected by County for City, or in any manner arising out of City's establishment and

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imposition of said taxes, assessments, fees and/or charges. City agree that, in the event a judgment is entered in a court of law against any o the Indemnified Parties as a result of the collection of one of City's taxes assessments, fees and/or charges, the County may offset the amount o the judgment from any other monies collected by County on behalf o City, including property taxes.

- 5. The City agrees that its officers, agents and employees will cooperate with the County by responding to all inquiries referred to City by Count from any person concerning the City's taxes, assessments, fees and/o charges, and that City will not refer such persons to County officers and employees for response.

6. The City agrees to pay the County for the reasonable and ordinar charges to recoup its costs of placement and collection on the tax rolls a the agreed upon rate of 1% of the taxes, assessments, fees and/o charges, as provided by Government Code sections 29304 and 51800.

7. That each of the above recitals is true and correct.

 8. That the City Council hereby approves the Report, determines the service charges as set forth in the Report, determines that there is no majority protest to such charges, and overrules that any protests or objections to

such charges.

9. That the City C

That the City Council authorizes the levy of sewer service charges for Fiscal Year 2013-14 to be placed on the County of Placer Tax Roll.

10. That staff are directed to take all actions necessary to ensure that the charges are transmitted to the County and placed on the Tax Roll.

DATED: June 24, 2013

Kevin Hanley, Mayor

|| ATTEST:

Stephanie L. Snyder, City Clerk

I, Stephanie L. Snyder, City Clerk of the City of Auburn, hereby certify that the foregoing resolution was duly passed at a regular meeting of the City Council of the City of Auburn held on the 24th day of June 2013 by the following vote on roll call:

Ayes: Noes: Absent:

Stephanie L. Snyder, City Clerk